



USDA Foreign Agricultural Service

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Peru

Grain and Feed

Rice Update

2004

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Report Highlights:

Rice production in 2004 is expected to fall due to drought during the planting season. Post's revised production estimate is 1.15 MMT for 2004, a reduction of 28 percent compared to the previous year. Imports are now forecast at 150,000 MT a significant increase compared to the 15,000 MT imported in 2003.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Lima [PE1]
[PE]

PSD Table							
Country	Peru						
Commodity	Rice, Milled				(1000 HA)(1000 MT)		
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Area Harvested	315	317	320	326	0	240	(1000 HA)
Beginning Stocks	243	92	298	98	353	77	(1000 MT)
Milled Production	1550	1482	1555	1597	0	1150	(1000 MT)
Rough Production	2246	2148	2254	2314	0	1667	(1000 MT)
MILLING RATE (.9999)	6900	6900	6900	6900	0	6900	(1000 MT)
TOTAL Imports	40	34	40	15	0	150	(1000 MT)
Jan-Dec Imports	40	34	40	15	0	150	(1000 MT)
Jan-Dec Import U.S.	0	1	0	0	0	1	(1000 MT)
TOTAL SUPPLY	1833	1608	1893	1710	353	1377	(1000 MT)
TOTAL Exports	10	30	5	135	0	10	(1000 MT)
Jan-Dec Exports	10	30	5	135	0	10	(1000 MT)
TOTAL Dom. Consumption	1525	1480	1535	1498	0	1350	(1000 MT)
Ending Stocks	298	98	353	77	0	17	(1000 MT)
TOTAL DISTRIBUTION	1833	1608	1893	1710	0	1377	(1000 MT)

SUMMARY

A severe drought is affecting Peru, which will result in less rice production. Post has revised rice production in CY2004 to 1.15 MMT, a 28 percent reduction compared to 2003. Though the planted area for the 2004 crop was only 6.9 percent less than the planted area in 2003, Post estimates that the harvested area in 2004 will be 240,000 hectares, 26 percent lower than in 2003. The reduction in harvested area is the result of the drought affecting the crop when it was already on the ground.

Rice imports in 2004 are now estimated around 150,000 MT. The government, through the Ministry of Agriculture, is encouraging rice production in the oriental slopes of the Andes to overcome this rice shortage, but rice imports will still increase significantly for the first time in almost eight years. Imports will most likely begin increasing in August and continue through the end of the year.

Peru's record imports were in 1996 when imported 430,000 MT. Uruguay and the U.S have usually shared the Peruvian rice market. Since 1997, Peru's rice production began increasing rather rapidly causing imports to fall as low as 15,000 MT in 2003. U.S. rice exports to Peru also shrunk in the last six years to a point that they became almost non-existent in 2003, leaving the market exclusively to Uruguay. Most imported rice in Peru is targeted to the high-end market and sold packed in one-kilogram bags. In this sector, U.S. rice has usually been very competitive both in quality and price.